

The President's Daily Brief

4 November 1969

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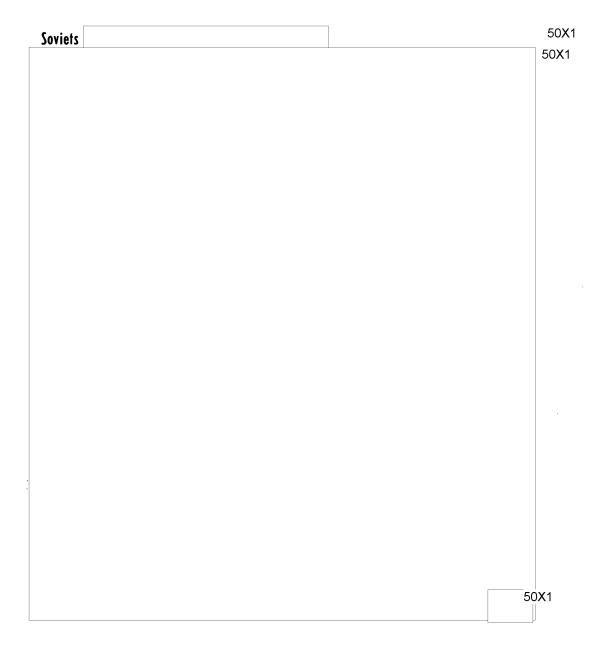
PRINCIPAL DEVELOPMENTS

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In Vietnam, intercepts suggest infiltration may again be on the upswing after having been down significantly for some months. $(Page\ 2)$

John Gorton's chances of being re-elected prime minister in Australia's Liberal Party caucus Friday may have received a fatal blow with veteran party stalwart William McMahon's announcement that he will be a candidate. (Page 3)

FOR THE PRESIDENT ONLY



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NORTH VIETNAM

There are signs that infiltration of North Vietnamese regulars to the south may be on the upswing. During the past ten days, communications intelligence has shown several large groups to be on the move. Some of these are elements of the 320th Division.

Others, from what we can tell so far, seem to be replacement fillers. One such group--of battalion size--was spotted moving south on 31 October. Analysis of communications suggests two other groups of unknown size and nature have recently entered the infiltration pipeline in North Vietnam.

The battalion-size (570 men) group is the first significant batch of replacements detected since last May.

AUSTRALIA

Prime Minister Gorton's chances of surviving the leadership challenge in Friday's Liberal Party caucus have taken a sudden turn for the worse. William McMahon, Federal Treasurer and deputy party leader, threw his hat into the ring yesterday. He made his move after John McEwen, leader of the Country Party-the junior partner in the ruling coalition-indicated he would no longer object to McMahon's election as prime minister. McEwen vetoed McMahon's bid to succeed Harold Holt in early 1967.

McMahon presents a far more formidable challenge to Gorton than National Development Minister Fairbairn, who had earlier thrown down the gauntlet in opposition to Gorton.

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On domestic policy, McMahon on past form would take a conservative approach. The gains made by the opposition Labor Party in the recent elections might, however, incline McMahon to liberalize his domestic views.

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NOTES

Cambodia: Prime Minister Lon Nol may be taking his leave of absence as much for political as for medical reasons. Chief of State Sihanouk and Lon Nol's cabinet are increasingly at loggerheads, mainly over the latter's economic reform program. Sihanouk is said to be especially irate over the government's decision to import rice for the first time in recent years. Lon Nol may have thought it prudent to get out of range, leaving his deputy—the principal author of the reform program—to bear the full weight of Sihanouk's wrath.

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many as 45 days in France.

Lebanon: The cease-fire is still holding as the Lebanese-fedayeen search for a modus vivendi shifts from Cairo to Beirut.